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PREPARATORY COMMITTEE OF THE WHOLE
FOR THE SPECIAL SESSION OF THE
GENERAL ASSEMBLY DEVOTED TO
INTERNATIONAL ECONOMIC CO-OPERATION,
IN PARTICULAR THE REVITALIZATION OF
ECONOMIC GROWTH AND DEVELOPMENT OF
THE DEVELOPING COUNTRIES
Second session
26 February-2 March 1990
Agenda item 2

INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

# Draft Declaration on the Special Session of the General Assembly devoted to International Economic Co-operation, in particular the revitalization of economic growth and development of the developing countries

Proposal submitted by Bolivia*

* On behalf of the States Members of the United Nations that are members of the Group of 77.



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economic experiences of countries and groups of countries have been diverse. Developed market-oriented countries have succeeded to a large extent in controlling inflation and in maintaining steady and uninterrupted, though modest, growth. However, many countries, particularly developing ones, have encountered serious difficulties in their attempt to adapt to structural changes and to benefit from the economic growth of industrialised countries.

7. As an essential feature, the 1980's were characterised by lack of appropriate and effective macro-economic policy coordination and surveillance. This has resulted in increasing domestic structural and fiscal imbalances in the countries whose economies have the largest impact on the world economy, and great instability in the international financial markets and exchange rates. These, in turn, have provoked unstable and excessively high interest rates, which in real terms have remained, at historically high levels.

8. Another feature of the 1980s has been the multipolarisation of the global economic structure. Japan and the European Economic Community have emerged as new economic and financial centres.

9. On the other hand, Eastern European countries remained apart from the world economic system during most of the decade. During this period, these countries lagged behind in productive and managerial efficiency. Their trade policies were marked by isolationism and protectionism. As a result, the need for structural transformation grew. Sweeping political and economic changes erupted in these countries at the very end of the decade, opening new challenges and opportunities for the 1990's.

10. The role of developing countries in the world economy has become increasingly marginal and their participation in international trade and finance has substantially decreased, further widening the gap between these countries and the developed ones.

11. Living conditions in most developing countries particularly in Africa, Latin America and the Caribbean and many in Asia have deteriorated, in comparison to the levels of the 1960s and 1970s. Economic and social infrastructure, painfully built over the years, have eroded seriously, thus impairing prospects for growth and development. The burden of adjustment has been disproportionately high for developing countries and is exacting unacceptably high social and political costs. For these regions, the 1980s have been viewed as a lost decade for development.

12. The mounting external indebtedness of developing countries has persisted and worsened during this period. The debt problem emerged as a principal cause of the economic stalemate of these countries, impeding their economic growth and development. Partial solutions have merely succeeded in preventing a major financial and monetary world-wide crisis but are still inadequate in substantially reducing the debt burden of developing countries. This problem has been aggravated by high interest rates, contributing to the lack of investment and cessation of new financial flows.

13. Connected with this problem has been a deterioration in the terms of trade of developing countries and long-term downward trend in the prices of commodities with devastating effects for commodity-dependent developing countries. Structural rigidities and resistance to structural changes have exacerbated protectionism in the developed countries,

impeding access of exports from developing countries.

14. All these factors have resulted in a massive negative transfer of resources from the developing to the developed countries, depriving the former of much needed resources for their economic growth and development.

15. Due to the negative impact of the international economic situation, and as a result of severe adjustment measures, public expenditures on education, health, housing, welfare, and physical infrastructure have been dramatically reduced, placing a heavy burden on the population as a whole and on the most vulnerable groups, increasing the levels of extreme poverty which has become one of the most serious obstacles for long-term development and the origin of political instability and social turmoil.

16. The adverse and well known conditions of the 1980s are likely to persist in the years ahead unless remedial measures are taken promptly, both nationally and internationally.

Challenge for the 1990s

17. The challenge for the 1990s should be confronted in the context of increasing interdependence and integration of the world economy and collective responsibility in finding equitable and durable solutions to the problems faced by the developing countries, through the revitalisation of their economic growth and development.

18. Economic growth depends on the existence of an international economic environment where developing countries can exert their competitiveness through access to markets and to science and technology, and where they can succeed in improving the quality of their human capital and modernise their economies.

19. The international community should seek to reverse the trends of the 1980s and reach agreement in addressing adequately, the pressing interrelated problems of money, finance, trade and development.

20. Regional economic integration represents an important mechanism for expanding trade and investment in developing countries and these efforts should be encouraged. Nevertheless, trade liberalisation in the European Economic Community by 1992 and between the United States and Canada should aim to generate positive impulses for world trade and development and avoid discriminatory practices.

21. Eastern European countries are undergoing profound economic and political changes oriented towards a new integration into the world economy. It is hoped that this process should open new opportunities for export markets of developing countries.

22. It is recognised that the revitalisation of growth and development in developing countries is required as an essential condition for the promotion of environmental protection. The enhancement and increase of international cooperation in this regard, will be central to enable developing countries, through financial, scientific and technological cooperation, to address adequately their environmental problems and participate effectively in the efforts for



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the protection and improvement of the global environment. It should be stressed that the common concerns over environmental questions should not, in any way, result in new restrictions for development. The correct national actions should be promoted through agreements to be reached at the United Nations Conference on Environment and Development in 1992.

Commitments and policy directions for the future

23. In a new spirit of solidarity, the Member States stand ready to forge an international commitment to undertake the necessary measures in an integrated manner toward the improvement of the international economic environment for the expansion of the world economy and for accelerated economic growth and development of the developing countries, taking also into account previous initiatives in this regard.

24. All States agree that a set of concrete actions should be implemented to reverse the situations that have led to the economic stagnation, and in some cases decline, that developing countries have faced during the last decade. The tendencies that prevailed in the 1980's must be changed through co-ordinated, consistent and parallel efforts by all countries according to their capacities and respective impact on the international economy. Each State and Nation is responsible for its own economic policies for development and for the life and well being of all its citizens. However, external conditions are intertwined with those of internal origin and can reinforce them or counter them and cause their failure.

25. The opportunity to restore a long-term approach to development and to move away from short-term, adjustment-led patterns should now be seized and fully developed. Such approach can be built into an agreement for global progress that ensures compatibility of short and long-term policies, higher quality of life and greater equity.

26. For the efforts of the developing countries to succeed, it is essential that the pattern of international economic relations be transformed into one conducive to the reactivation of economic growth and sustained development of developing countries. This will contribute to a decrease in international interest rates, stability of financial markets and exchange rates which will be of central importance in supporting the policies of the developing countries.

27. In this context, the major industrialised nations should ensure sustained world economic growth in a stable and harmonious manner. The fiscal deficit of the United States and other industrialised countries and the corresponding surpluses of the developed countries should be corrected in a co-ordinated and coherent way, to avoid recessionary effects and drastic decreases in aggregate demand and trade.

28. The increasing internationalisation of the world economy must, therefore, be matched with more symmetric interdependence. An equitable and effective multilateral macro-economic coordination will be essential to ensure such goal. This new policy coordination should allow for full participation of countries with different situations, problems and responsibilities, including developing countries, and should have effective means, mechanisms and appropriate institutional framework for multilateral macro-economic surveillance.

29. Effective macroeconomic co-ordination, and in particular, fiscal discipline are vital for stable and favourable conditions in the world economy. In this context, the co-ordination of international macro-economic policies has to be broadened to take account of the concerns of all countries, in particular the developing countries. Such co-ordination should be directed towards global economic growth and social development, to achieve equitable distribution of the fruits of progress through an expanded world economy. Developed and developing countries shall participate in this process on an equitable basis.

30. The achievement of the reactivation of the economic growth and development of developing countries will require concerted action by all countries. To contribute to this process, the developing countries should continue to work towards keeping control over inflationary tendencies, ensuring the active promotion of domestic savings; the strengthening, expansion and modernization of their economies and productive sectors, and the rise in their international competitiveness, are essential in this context.

31. Moreover, the developing countries should continue to encourage both domestic and foreign investment. In this connection, there is a need for these countries to achieve favourable domestic conditions for investment and capital formation, in accordance with their legislation, development objectives and national priorities.

32. A durable and comprehensive solution of the external debt crisis of the developing countries, which has resulted in instability, diversion of domestic savings and recurring macro-economic destabilising negotiations and renegotiations with creditors, is crucial and should accordingly be given urgent attention. More innovative mechanisms should be developed to reduce significantly the debt burden of the developing countries. Such a reduction should be sufficiently large to permit resumption of growth and development in these countries. The schemes for reduction of debt stock and service should be broadened to include all types of debt and debtor developing countries. For the least developed countries, a total forgiveness of all official debt should be urgently undertaken.

33. Net flows of financial resources to developing countries should be substantially increased. The capacity of developing countries to attract financial flows, particularly commercial ones, depends on various conditions, in particular on the substantial reduction of the debt burden and debt overhang which requires the active involvement of the governments of developed countries. The capacity of developing countries to increase domestic and external investment levels is directly related to interest rates in the international financial market.

34. Official development assistance should reach the recommended target of 0.7 percent agreed upon in the 1970s. Higher levels of international targets should now be agreed upon and disbursed.

35. Foreign direct investment and the revival of bank lending to developing countries should be encouraged by the governments of the developed countries to complement domestic capital formation in those countries.

36. The multilateral community should support international financial institutions to enable them to assume a much larger role in meeting the financial resource requirements of the developing countries at the global and regional levels.

37. Due to the current relaxation of international political tensions and agreements reached in the field of disarmament, substantial financial resources should be released for economic and social development of the developing countries. In this connection, the feasibility of establishing a United Nations "Disarmament for Development Fund" should be seriously considered.

38. Trade imbalances will have to be dealt with effectively. The surplus economies and other highly competitive developed countries in the international market, should promote larger imports from other regions and countries and liberalize accordingly their trade regimes.

39. It is essential to develop a more open, credible and durable multilateral trading system which can contribute effectively to the promotion of growth and development, taking due account of the specific needs of the developing countries, in accordance with the principles governing the Uruguay Round negotiations and the Punta del Este Declaration.

40. It is important, as an immediate objective, to arrest the slide towards unilateralism, bilateralism, protectionism and the erosion of multilaterally agreed norms. In this connection, all countries should refrain from taking any steps conducive to the further deterioration of the multilateral trading system. In this context, industrialised countries should open their markets to international competition, letting developing countries take advantage of their competitive position. Developed countries and multilateral organisations should ensure that trade blocs that are being formed in different regions of the world do not impede the growth of international trading opportunities, particularly for developing countries. The principle of the most-favoured-nation clause should be expanded and applied consistently, taking into account particularly the needs of developing countries.

41. The promotion of new mechanisms and the strengthening of existing ones should be undertaken with a view to ensuring the predictability and stability of commodity markets, improving commodity export earnings of developing countries and facilitating the rapid diversification and technological restructuring of their economies. There is a need to reduce the growing disadvantages between the prices of commodities and manufactured goods exported by developing countries and the prices of goods they import from industrialized countries.

42. Both international financial and trade measures, in particular those regarding commodities, should lead to the reversal of the current situation of negative net transfer of resources from developing to developed countries.

43. The economic and trade integration processes, as well as the establishment of economic complementarities among developing countries could constitute, if sustained, an important engine for growth and development in those countries and should be promoted and supported through the expansion of their market opportunities and the strengthening of their economic situation.

44. The endeavours of the developing countries to promote and strengthen economic and technical cooperation among themselves should also be effectively supported by the

developed countries, as well as the international organizations.

45. There should be an international effort to support Eastern European countries in their efforts to integrate the international market-driven economy. The adhesion of these countries in international specialiased agencies of the United Nations system and their full participation in the world economy should be accelerated. The actions of the international community and of the international economic integration of these countries is for the benefit of their own people and of the world as a whole, particularly developing countries.

46. Taking into account that developed Eastern European countries already possess substantial financial capacities, a developed, strong and diversified economic, social and cultural infrastructure, including considerable industrial capacity and broad based scientific and technological research and development sector, it would be of great importance to enhance the contribution of the Eastern European countries to the socio-economic development of developing countries, through, in particular, transfer of resources, including financial resources, and access by these countries to full membership, as industrial countries, in multilateral, international and regional financial and development institutions. A broad programme of co-operation with developing countries should be considered to enhance and increase the economic ties of these countries with developing countries.

47. Special co-operative and financial mechanisms at the global, regional and sub-regional levels should be promoted to ensure the transfer of scientific and technological know-how to developing countries, and to develop the endogenous capacity of these countries in all fields including industrial and agricultural production, services and informatics. The attainment of an improved and credible trading system will also depend on the elimination of all restrictive measures which limit the access of developing countries to scientific and technological advances.

48. Reactivation of growth and development of developing countries will only be possible with the advancement in the quality of development, the improvement in the living standards of the people, increased equity, broad participation and larger choice and better opportunities. Economic policies should therefore have as their main objective the betterment of the human condition and the enhancement of the contribution of all peoples in economic activities. In this regard, there is need for additional concessional resources to be allocated for the eradication of poverty in developing countries.

49. The international community should adopt urgent and corrective measures to arrest the current escalating levels of extreme poverty and hunger and to promote the necessary actions to impede the further deterioration of this grave situation. In this context, it should also support the efforts of the developing countries in the eradication of poverty and hunger.

50. Member States should likewise support the developing countries in their efforts to strengthen the development of their human resources. In this connection, the inextricable link between education, acquisition of skills, technical training and economic growth and sustained development should be emphasised. International cooperation should also aim to support human resource development strategies in such vital and related areas as health, nutrition, employment and population.

51. In this connection, multilateral financial institutions should review the structural adjustment programmes which have so far failed to redress fundamentally the economic decline, or lay the foundations in any meaningful sense for sustained recovery and economic transformation, and be sensitive to the adverse impact of adjustment policies in vulnerable sectors of the population.

52. The international community should extend its full support to the efforts made by the least developed countries to overcome their structural problems through increased development resources. It should also address the acute problems facing island and land-locked developing countries.

53. The strengthening of international economic co-operation requires a more effective role of multilateral institutions and mechanisms. The United Nations as the unique forum in which the community of nations can address all issues in a comprehensive and integrated manner, should enhance its role in setting the political guidelines for the revitalisation of economic growth and development. The United Nations system is bound to play an ever increasing role in economic and social fields, and should therefore be prepared to adapt to the needs of the Member States.

54. The Special Session should draw attention to the 1990s as the year of challenge and opportunity to obtain fruitful results from the Conference on Least Developed Countries in Paris in 1990, the elaboration of the new international development strategy for the Fourth United Nations Development Decade, the observance of the Decade for Reduction of Natural Disasters, the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, the convening of UNCTAD VIII in 1991, the Conference on Environment and Development in 1992 and the Conference on Population in 1994.

55. The Special Session calls for tangible support from the international community for the implementation of the Second Industrial Development Decade for Africa.

56. A comprehensive study should be undertaken by the Secretary-General, assisted by a group of experts, to include concrete proposals on all measures and additional resources required for the full implementation of the recommendations adopted by the Special Session, as well as all existing mandates in this area and to report to the forty-fifth session of the General Assembly.

57. We, the Member States, in concerted action and in a spirit of shared responsibility, commit ourselves to the achievement of our common goals.

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DEVELOPING COUNTRIES
Second session
26 February-2 March 1990
Agenda item 3

ORGANIZATION OF WORK OF THE SPECIAL SESSION

Draft decision submitted by the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), on the basis of informal consultations

Provisional agenda and organizational matters

The Preparatory Committee decides to recommend to the eighteenth special session of the General Assembly the adoption of the following provisional agenda and organization of work:

1. Provisional agenda

1. Opening of the session by the Chairman of the delegation of Nigeria.

2. Minute of silent prayer or meditation.

3. Credentials of representatives to the eighteenth special session of the General Assembly:

   (a) Appointment of the members of the Credentials Committee;

   (b) Report of the Credentials Committee.

4. Election of the President.

5. Report of the Preparatory Committee for the eighteenth special session.

6. Organization of the session.

7. Adoption of the agenda.

8. General debate.

9. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries.

## 2. Structure of the special session

The special session will convene plenary meetings to conduct a general debate and to allow heads of State or Government and ministers or heads of delegation to speak on the substantive item. It should establish an ad hoc committee of the whole to consider the item, taking into account the recommendations of the Preparatory Committee. The Ad Hoc Committee of the Whole should have one Chairman, three Vice-Chairmen and a Rapporteur, on the basis of equitable geographical distribution. Every effort should be made to strive as far as possible towards consensus on matters of substance.

## 3. President

The special session should take place under the presidency of the President of the forty-fourth session of the General Assembly.

## 4. Vice-Presidents

The Vice-Presidents of the special session should be the same as at the forty-fourth regular session of the General Assembly, on the understanding that regional groups may make substitutions of the Vice-Presidents allocated to each group.

## 5. Credentials Committee

The Credentials Committee of the special session should have the same membership as the Credentials Committee of the forty-fourth session of the General Assembly.

## 6. General Committee

The General Committee of the special session should consist of the President of the special session of the General Assembly; the 21 Vice-Presidents and the Chairmen of the seven Main Committees of the forty-fourth session of the General Assembly, on the understanding that they may be substituted by members of their delegations or members of the delegations of States belonging to the same regional group; and the Chairman of the Ad Hoc Committee of the Whole for the special session.

## 7. Rules of procedure

The rules of procedure of the General Assembly should apply at the special session.

## 8. Level of representation

Member States should be represented at the special session at the highest possible political level.

## 9. General debate

Item 9 of the provisional agenda should be included in the general debate (item 8). Participation in plenary meetings should be in accordance with the established rules and practice of the General Assembly.

## 10. Allocation of items

It is recommended that item 9 of the provisional agenda be allocated to the Ad Hoc Committee of the Whole for consideration.

## 11. Participation

(a) On the basis of specific requests, observer non-Member States should be invited to participate in the general debate in the plenary meeting;

(b) The Executive Heads of the concerned United Nations specialized agencies should be invited to participate in the general debate in the plenary meeting. Each statement should not exceed 10 minutes;

(c) Interested intergovernmental organizations having received a standing invitation to participate in the sessions and the work of the General Assembly should be invited to participate in the general debate in the plenary meeting. Each statement should not exceed 10 minutes;

(d) A representative of one non-governmental organization in consultative status with the Economic and Social Council could address the Ad Hoc Committee of the Whole on behalf of interested non-governmental organizations. Such a statement should not exceed 10 minutes;

(e) On the basis of specific requests, the Preparatory Committee recommends that the special session take a decision to invite other relevant intergovernmental and interregional organizations of an economic nature to participate and speak on an ad hoc basis during the session. Such statements should not exceed 10 minutes.

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DEVELOPING COUNTRIES
Second session
26 February-2 March 1990
Agenda item 4

# PROVISIONAL AGENDA FOR THE THIRD SESSION OF THE PREPARATORY COMMITTEE

Draft decision submitted by the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), on the basis of informal consultations

## Date and provisional agenda for the third session of the Preparatory Committee

The Preparatory Committee decides:

(a) That the third and final session of the Preparatory Committee shall take place from 16 to 20 April 1990;

(b) To approve the following provisional agenda for its third session:

1. Adoption of the agenda.

2. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries: consideration of the proposed final document to be adopted by the special session.

3. Adoption of the report of the Preparatory Committee for submission to the special session.

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PREPARATORY COMMITTEE OF THE WHOLE FOR THE SPECIAL SESSION OF THE GENERAL ASSEMBLY DEVOTED TO INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR TO THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES
Second session
26 February-2 March 1990
Agenda item 2

# INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

## Canada: draft proposal

## Elements for a declaration of the special session of the General Assembly devoted to International Economic Co-operation, in particular to revitalization of economic growth and development of the developing countries

The world is embarking upon the last decade of the twentieth century cognizant of the profound changes that are affecting us all. Economically, the world is rapidly becoming one. This growing interdependence among nations challenges us all to respond creatively. Global integration requires countries to adopt sound national policies to facilitate open exchange and flexible responses to the changing world economy.

In the context of this increasing interdependence and integration, a major challenge of the 1990s will be to help developing countries to become competitive in the world economy, to have access to markets and to science and technology, to improve the quality of their human capital and to modernize their economies. In a spirit of solidarity, Member States stand ready to forge an international understanding of the principles which will lead to accelerated economic growth and sustainable development.

Developments in the countries of Eastern Europe mark a unique phase in our history, and there should be an international effort to support them in their integration into the international economy. The adhesion of these countries in the specialized institutions and their full participation in the world economy, which is of benefit to their own people and the world as a whole, should be accelerated.

## I. PRINCIPLES FOR INTERNATIONAL ECONOMIC CO-OPERATION

Each State and nation is responsible for its own economic policies for development and for the life and well-being of all its citizens.

In an interdependent world the international community has a responsibility to assist developing countries in pursuing effective policies of development.

All human beings have a basic right to a life free from hunger, poverty, ignorance, disease and fear. The reduction of poverty and greater equity in income distribution are major goals.

We all share a joint responsibility for creating favourable international economic conditions and in strengthening international co-operation, which will help create the environment for sustainable economic growth.

Effective multilateral institutions can and should, on the basis of open participation, effective rules and disciplines, be used to shape economic co-operation. They can be particularly important in involving all in a dialogue on appropriate policies.

Economic growth requires that all countries develop a sustainable macro-economic framework and vigorously pursue long-term domestic economic reform programmes which would emphasize greater flexibility and openness of the economy, effective and efficient mobilization and use of financial and human resources and greater scope for private initiative and enterprise.

It is essential to develop a more open, credible and durable multilateral trading system which can contribute effectively to the promotion of growth and development, taking due account of the specific needs of the developing countries, in accordance with the principles governing the Uruguay Round negotiations and the Punta del Este Declaration.

## II. LESSONS FROM THE PAST

In the past decade an increasing convergence of views has emerged on key approaches to economic policies and problems. After the recession early in the decade, the industrialized countries resumed steady and uninterrupted growth. Considerable progress has been made in resolving imbalances, which for a time threatened stability in the world economy, although further progress remains to be made. Success is important if the world economy is to achieve a basis for further reductions in interest rates and deficits. The international community also

recognizes the damaging impact of protectionism in all its forms and the importance of reducing it.

For most developing countries the past decade has proven more difficult, especially for those with large external debts. The process of adjustment has been slow and hindered by declines in the terms of trade and export prices, which have made it more difficult to address the social consequence or to obtain the necessary political support for adjustment. This does not, however, obviate the need for policy reform. Other developing countries have been more successful in promoting growth and have been able to achieve considerable economic and social progress.

We have learned from these experiences. As the world changes around us we must respond positively. The nature of the world economy is such that flexibility, creativity and innovation must be integral parts of our economic systems, otherwise competitiveness will be lost and stagnation will result. Sound national policies are the basis for sustainable economic growth and development. International economic co-operation and assistance are important to knit together the system and to help developing countries achieve their potential.

## III. POLICIES FOR DEVELOPMENT AND INTERNATIONAL CO-OPERATION

The reactivation of economic growth and development of developing countries will require concerted action by all countries. Success will depend upon sound strategies and policies and a strengthened partnership of developed and developing countries.

Growth needs to be broadly based, drawing the masses of people into productive economic activity with effective, responsive and public decision-making systems. Improvement in the living standards of people, increased equity and broad participation requires the establishment of institutional frameworks and systems which provide larger choice and more opportunities.

Developing countries have the responsibility for mobilizing their national resources fully and adopting sound and realistic macro-economic policies. They should continue to work towards keeping control over inflationary tendencies, encourage domestic savings with appropriate interest rate policies and raise their level of international competitiveness. Moreover, the developing countries should continue to encourage both domestic and foreign investment. There is a need to establish favourable domestic conditions for investment and capital formation and encourage enterprise, private initiative and risk-taking. Effective markets and appropriate pricing can improve the efficiency of resource allocation and promote investment.

The developed countries and multilateral institutions should provide the necessary external resources to facilitate the structural reform process in developing countries and, in particular, assist the implementation of programmes designed to alleviate adverse consequences for the poor and vulnerable groups.

In some countries the existence of a very large external debt has crippled the economy and threatened the development process. The debt can also render economic adjustment more difficult by undermining the essential political basis and commitment to reform. It is important that countries implementing growth-oriented reforms receive sufficient support and that the collaborative debt strategy be flexible enough to encourage the reforms essential to their economic recovery. Initiatives aimed at a reduction of the stock and service of debt of developing countries, as well as debt relief measures, should continue to be pursued in an effort to renew vigorous growth. A supportive international economic environment, together with a growth-oriented development approach will also assist debtor developing countries to restore their economies and credit-worthiness.

We are especially concerned with preserving the environment for our children and future generations. This challenge is global in scope and requires effective international co-operation - a commitment to the environment must permeate all our endeavours. Economic development must be environmentally sound and sustainable. This is the responsibility of all peoples, their Governments, businesses, trade unions and individual citizens.

The current threat to the environment, which is a common concern of all, stems essentially from past neglect in managing the natural environment and resources and from decades of industrial and other pollution. As the major sources of pollution and depletion of natural resources, the developed countries have a special responsibility for taking necessary measures urgently. The responsibility for improving the environment should be shared, sufficient resources made available and consideration given to providing access to technology so that developing countries can exercise their national responsibilities and manage their natural resources. The economic growth of developing countries is an essential prerequisite for environmental protection, because poverty is an important cause of deforestation and desertification. Excessive population growth adds to the strain.

The most important economic asset of all countries is the people themselves. Our goal should be to enable every child, woman and man to live a full life, in dignity and free from suffering and want and according to their own ideas and preferences. It is of special importance to improve the integration of women in the development process.

Sustained development depends upon the strength and quality of a country's institutions in all sectors of Government, schools, the judiciary, co-operatives, the financial sector and voluntary organizations. Effective institutional frameworks and predictable public administration are necessary to shape and foster other development initiatives.

Education and training are prerequisites for economic growth, and it is an indispensable part of a successful economic policy that they be accessible to all people. Investments in education, training, health and other social services, sanitation, housing and water are all essential if human resources and skills are to be fully developed.

The full utilization of human resources also requires that human rights be guaranteed to each individual. A multiplicity of views and expression enriches every society by stimulating creativity, innovation and initiative and allowing these to be brought to fruition. Economic decision-making should be decentralized to advance efficiency.

Substantial additional aid, other financial resources and export expansion will be required for developing countries to be able to cope with the challenges of the 1990s. All developed countries should assume their responsibility to supply to developing countries an adequate flow of official development assistance, striving to achieve international targets, including a level of 0.7 per cent of their gross national products for official development assistance. For aid to be effective we need to pay full attention to project quality and design and the appropriate policy environment.

All countries should contribute to a successful conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) which holds the prospect of significant market liberalization from which all will benefit. We must resist protectionist forces and work towards a stronger GATT which can more effectively promote an open trading system. Expansion and liberalization of trade in commodities would be of particular benefit to developing countries. All countries should strive to respond to changes in efficient world demand with innovation and diversification of their productive sectors.

Commodity exports play a key role in the economies of developing countries and make a crucial contribution to export earnings and investment. There is a need for better functioning of commodity markets and more stable and predictable conditions. Diversification would assist the developing countries to increase and stabilize their export earnings. All countries and multilateral institutions should undertake measures to support these efforts.

## IV. CONCLUSION

The United Nations is a unique forum in which the community of nations can address all issues in a comprehensive and integrated manner and, giving due regard to the respective competences of the specialized institutions, play a key role in setting the basis for the revitalization of economic growth and development.

The Member States of the United Nations pledge their commitment to address the issues in this declaration of the special session through their national policies, international co-operation, in the elaboration of the international development strategy for the Fourth United Nations Development Decade and in the Second United Nations Conference on the Least Developed Countries.

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Item 3 of the provisional agenda*

# ADOPTION OF THE REPORT OF THE PREPARATORY COMMITTEE FOR SUBMISSION TO THE SPECIAL SESSION

## Draft report of the Preparatory Committee on its second session

### A. Organizational matters

#### 1. Opening and duration of the second session

1. The Preparatory Committee held its second session at United Nations Headquarters from 26 February-2 March 1990. The Committee held three meetings (7th to 9th) and a number of informal consultations during that period.

2. The Chairman of the Preparatory Committee opened the session.

#### 2. Attendance

3. Representatives of the following member States attended the Preparatory Committee:

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* A/AC.233/6.

Afghanistan
Algeria
Argentina
Australia
Austria
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Bolivia
Botswana
Brazil
Bulgaria
Burkina Faso
Byelorussian Soviet Socialist Republic
Canada
Chile
China
Colombia
Congo
Cuba
Cyprus
Czechoslovakia
Democratic Yemen
Denmark
Ecuador
Egypt
Ethiopia
Fiji
Finland
France
German Democratic Republic
Germany, Federal Republic of
Ghana
Greece
Guatemala
Guyana
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Ireland
Israel
Italy
Jamaica
Japan
Lao People's Democratic Republic
Lesotho
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malawi
Malaysia
Mali
Mauritania
Mauritius
Mexico
Mongolia
Mozambique
Myanmar
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Rwanda
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Somalia
Spain
Sri Lanka
Sudan
Suriname
Sweden
Syrian Arab Republic
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkey
Ukrainian Soviet Socialist Republic
Union of Soviet Socialist Republics
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Vanuatu
Venezuela
Viet Nam
Yugoslavia
Zaire
Zambia
Zimbabwe

4. The following States were represented by observers:

Democratic People's Republic of Korea
Holy See
Republic of Korea
Switzerland

5. The United Nations University was represented.

6. The following specialized agencies were represented:

International Labour Organisation
Food and Agriculture Organization of the United Nations
World Health Organization
World Bank
International Monetary Fund
World Intellectual Property Organization

7. The following intergovernmental organizations were represented:

Asian-African Legal Consultative Committee
Commission of the European Communities
Commonwealth Secretariat
Latin American Economic System
Organization of American States
Organization of the Islamic Conference

## 3. Officers of the Committee

8. The Officers of the Preparatory Committee were elected at its organizational session (see document A/44/45).

## 4. Adoption of the agenda

9. At its 7th meeting, on 26 February, the Preparatory Committee adopted the following agenda for the session, as contained in document A/AC.233/4:

1. Adoption of the agenda

2. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries:

   (a) Main developments in the 1980s and the challenges of the 1990s and an assessment of obstacles and impediments to growth and development;

   (b) The reactivation of economic growth and development in developing countries;

   (c) Strengthening and enhancing international economic co-operation and multilateralism in international economic relations.

3. Organization of work of the special session.

4. Provisional agenda for the third session of the Preparatory Committee of the Whole.

5. Documentation

10. The Preparatory Committee had before it the following documents:

(a) Provisional agenda (A/AC.233/4);

(b) Report of the Secretary-General on the state of international economic co-operation and effective ways and means of revitalizing the economic growth and development of developing countries (E/AC.233/5 and Corr.1);

(c) Note by the Secretariat transmitting to the second session of the Preparatory Committee the text of the Chairman of the Preparatory Committee annexed General Assembly decision 44/444 of 22 December 1989 (A/AC.233/L.2);

(d) Proposal submitted by Bolivia, on behalf of the States Members of the United Nations that are members of the Group of 77 entitled "Draft declaration on the special session of the General Assembly devoted to International Economic Co-operation, in particular the revitalization of economic growth and development of the developing countries" (A/AC.233/L.3);

(e) Draft decision submitted by the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), on the organization of work for the special session, entitled "Provisional agenda and organizational matters" (A/AC.233/L.4);

(f) Draft decision submitted by the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), entitled "Date and provisional agenda for the third session of the Preparatory Committee" (A/AC.233/L.5);

(g) Proposal submitted by Canada entitled "Elements for a declaration of the special session of the General Assembly devoted to International Economic Co-operation, in particular to the revitalization of economic growth and development of the developing countries (A/AC.233/L.6);

(h) Note by the Secretariat on the organization of the work of the special session (A/AC.233/CRP.1).

B. International economic co-operation, in particular the revitalization of economioc growth and development of the developing countries

11. On 27 February 1990, a draft proposal was circulated to the Preparatory Committee (A/AC.233/L.3) submitted by Bolivia, on behalf of the States Members of the United Nations that are members of the Group of 77, entitled "Draft Declaration on the Special Session of the General Assembly devoted to International Economic Co-operation, in particular the revitalization of economic growth and development of the developing countries". The draft proposal read as follows:

"We, the Member States of the United Nations having met at the special session of the General Assembly devoted to International Economic Co-operation, in particular to the revitalization of economic growth and development of the developing countries, have decided to undertake a commitment through the following

"DECLARATION

"To develop a new global covenant to promote international economic co-operation for the growth of the world economy and in particular, the revitalization of economic growth and development of the developing countries, based on the following considerations:

"1. Recognition by the international community that in an increasingly interdependent world, the developing countries can play an important role in the stabilization, growth and expansion of the world economy, for the progress and prosperity of all peoples.

"2. The existence of two thirds of the world population doomed to a life of deprivation and abject poverty cannot continue.

"3. Recognition of the need to strongly support the efforts of the developing countries in solving their grave economic and social problems through the creation of a favourable international economic environment.

"4. Initiation of an enlightened and vigorous international economic co-operation based on heightened awareness of the urgent need to provide just and equal opportunities to all peoples and to help them develop their full potential within their own values, in full exercise of their sovereign rights.

"5. The necessity of shaping and directing the outcome of the momentous events currently under way, towards a positive transformation in international relations among nations leading to a more interdependent and integrated world, free from intolerance and discrimination, hunger and disease, oppression and exploitation, illiteracy and poverty, and above all, war and conflict. In this context, we stress the need to utilize the peace dividend to promote the objectives and commitment contained in this Declaration.

"Assessment of developments in the 1980s

"6. In the last decade, the world economy has been characterized by relatively slow growth and by global financial and trade imbalances. Within this overall picture, the socio-economic experiences of countries and groups of countries have been diverse. Developed market-oriented countries have succeeded to a large extent in controlling inflation and in maintaining steady and uninterrupted, though modest, growth. However, many countries, particularly developing ones, have encountered serious difficulties in their attempt to adapt to structural changes and to benefit from the economic growth of industrialized countries.

"7. As an essential feature, the 1980s were characterized by lack of appropriate and effective macro-economic policy co-ordination and surveillance. This has resulted in increasing domestic structural and fiscal imbalances in the countries whose economies have the largest impact on the world economy, and great instability in the international financial markets and exchange rates. These, in turn, have provoked unstable and excessively high interest rates, which in real terms have remained at historically high levels.

"8. Another feature of the 1980s has been the multipolarization of the global economic structure. Japan and the European Economic Community have emerged as new economic and financial centres.

"9. On the other hand, Eastern European countries remained apart from the world economic system during most of the decade. During this period, these countries lagged behind in productive and managerial efficiency. Their trade policies were marked by isolationism and protectionism. As a result, the need for structural transformation grew. Sweeping political and economic changes erupted in these countries at the very end of the decade, opening new challenges and opportunities for the 1990s.

"10. The role of developing countries in the world economy has become increasingly marginal and their participation in international trade and finance has substantially decreased, further widening the gap between these countries and the developed ones.

"11. Living conditions in most developing countries particularly in Africa, Latin America and the Caribbean and many in Asia have deteriorated, in comparison to the levels of the 1960s and 1970s. Economic and social infrastructure, painfully built over the years, have eroded seriously, thus impairing prospects for growth and development. The burden of adjustment has been disproportionately high for developing countries and is exacting unacceptably high social and political costs. For these regions, the 1980s have been viewed as a lost decade for development.

"12. The mounting external indebtedness of developing countries has persisted and worsened during this period. The debt problem emerged as a principal cause of the economic stalemate of these countries, impeding their economic growth and development. Partial solutions have merely succeeded in preventing a major financial and monetary world-wide crisis but are still inadequate in substantially reducing the debt burden of developing countries. This problem has been aggravated by high interest rates, contributing to the lack of investment and cessation of new financial flows.

"13. Connected with this problem has been a deterioration in the terms of trade of developing countries and long-term downward trend in the prices of commodities with devastating effects for commodity-dependent developing countries. Structural rigidities and resistance to structural changes have exacerbated protectionism in the developed countries, impeding access of exports from developing countries.

"14. All these factors have resulted in a massive negative transfer of resources from the developing to the developed countries, depriving the former of much needed resources for their economic growth and development.

"15. Due to the negative impact of the international economic situation, and as a result of severe adjustment measures, public expenditures on education, health, housing, welfare, and physical infrastructure have been dramatically reduced, placing a heavy burden on the population as a whole and on the most vulnerable groups, increasing the levels of extreme poverty which has become one of the most serious obstacles for long-term development and the origin of political instability and social turmoil.

"16. The adverse and well-known conditions of the 1980s are likely to persist in the years ahead unless remedial measures are taken promptly, both nationally and internationally.

"Challenge for the 1990s

"17. The challenge for the 1990s should be confronted in the context of increasing interdependence and integration of the world economy and collective responsibility in finding equitable and durable solutions to the problems faced by the developing countries, through the revitalization of their economic growth and development.

"18. Economic growth depends on the existence of an international economic environment where developing countries can exert their competitiveness through access to markets and to science and technology, and where they can succeed in improving the quality of their human capital and modernize their economies.

"19. The international community should seek to reverse the trends of the 1980s and reach agreement in addressing adequately the pressing interrelated problems of money, finance, trade and development.

"20. Regional economic integration represents an important mechanism for expanding trade and investment in developing countries and these efforts should be encouraged. Nevertheless, trade liberalization in the European Economic Community by 1992 and between the United States and Canada should aim to generate positive impulses for world trade and development and avoid discriminatory practices.

"21. Eastern European countries are undergoing profound economic and political changes oriented towards a new integration into the world economy. It is hoped that this process should open new opportunities for export markets of developing countries.

"22. It is recognized that the revitalization of growth and development in developing countries is required as an essential condition for the promotion of environmental protection. The enhancement and increase of international co-operation in this regard will be central to enable developing countries, through financial, scientific and technological co-operation, to address

adequately their environmental problems and participate effectively in the efforts for the protection and improvement of the global environment. It should be stressed that the common concerns over environmental questions should not, in any way, result in new restrictions for development. The correct national actions should be promoted through agreements to be reached at the United Nations Conference on Environment and Development in 1992.

"Commitments and policy directions for the future

"23. In a new spirit of solidarity, the Member States stand ready to forge an international commitment to undertake the necessary measures in an integrated manner towards the improvement of the international economic environment for the expansion of the world economy and for accelerated economic growth and development of the developing countries, taking also into account previous initiatives in this regard.

"24. All States agree that a set of concrete actions should be implemented to reverse the situations that have led to the economic stagnation, and in some cases decline, that developing countries have faced during the past decade. The tendencies that prevailed in the 1980s must be changed through co-ordinated, consistent and parallel efforts by all countries according to their capacities and respective impact on the international economy. Each State and nation is responsible for its own economic policies for development and for the life and well-being of all its citizens. However, external conditions are intertwined with those of internal origin and can reinforce them or counter them and cause their failure.

"25. The opportunity to restore a long-term approach to development and to move away from short-term, adjustment-led patterns should now be seized and fully developed. Such approach can be built into an agreement for global progress that ensures compatibility of short and long-term policies, higher quality of life and greater equity.

"26. For the efforts of the developing countries to succeed, it is essential that the pattern of international economic relations be transformed into one conducive to the reactivation of economic growth and sustained development of developing countries. This will contribute to a decrease in international interest rates, stability of financial markets and exchange rates which will be of central importance in supporting the policies of the developing countries.

"27. In this context, the major industrialized nations should ensure sustained world economic growth in a stable and harmonious manner. The fiscal deficit of the United States and other industrialized countries and the corresponding surpluses of the developed countries should be corrected in a co-ordinated and coherent way, to avoid recessionary effects and drastic decreases in aggregate demand and trade.

"28. The increasing internationalization of the world economy must, therefore, be matched with more symmetric interdependence. An equitable and

effective multilateral macro-economic co-ordination will be essential to ensure such goal. This new policy co-ordination should allow for full participation of countries with different situations, problems and responsibilities, including developing countries, and should have effective means, mechanisms and appropriate institutional framework for multilateral macro-economic surveillance.

"29. Effective macro-economic co-ordination, and in particular, fiscal discipline are vital for stable and favourable conditions in the world economy. In this context, the co-ordination of international macro-economic policies has to be broadened to take account of the concerns of all countries, in particular the developing countries. Such co-ordination should be directed towards global economic growth and social development to achieve equitable distribution of the fruits of progress through an expanded world economy. Developed and developing countries shall participate in this process on an equitable basis.

"30. The achievement of the reactivation of the economic growth and development of developing countries will require concerted action by all countries. To contribute to this process, the developing countries should continue to work towards keeping control over inflationary tendencies, ensuring the active promotion of domestic savings, the strengthening, expansion and modernization of their economies and productive sectors, and the rise in their international competitiveness are essential in this context.

"31. Moreover, the developing countries should continue to encourage both domestic and foreign investment. In this connection, there is a need for these countries to achieve favourable domestic conditions for investment and capital formation, in accordance with their legislation, development objectives and national priorities.

"32. A durable and comprehensive solution of the external debt crisis of the developing countries, which has resulted in instability, diversion of domestic savings and recurring macro-economic destabilizing negotiations and renegotiations with creditors, is crucial and should accordingly be given urgent attention. More innovative mechanisms should be developed to reduce significantly the debt burden of the developing countries. Such a reduction should be sufficiently large to permit resumption of growth and development in these countries. The schemes for reduction of debt stock and service should be broadened to include all types of debt and debtor developing countries. For the least developed countries, a total forgiveness of all official debts should be urgently undertaken.

"33. Net flows of financial resources to developing countries should be substantially increased. The capacity of developing countries to attract financial flows, particularly commercial ones, depends on various conditions, in particular on the substantial reduction of the debt burden and debt overhang which requires the active involvement of the Governments of developed countries. The capacity of developing countries to increase domestic and external investment levels is directly related to interest rates in the international financial market.

"34. Official development assistance should reach the recommended target of 0.7 per cent agreed upon in the 1970s. Higher levels of international targets should now be agreed upon and disbursed.

"35. Foreign direct investment and the revival of bank lending to developing countries should be encouraged by the Governments of the developed countries to complement domestic capital formation in those countries.

"36. The multilateral community should support international financial institutions to enable them to assume a much larger role in meeting the financial resource requirements of the developing countries at the global and regional levels.

"37. Due to the current relaxation of international political tensions and agreements reached in the field of disarmament, substantial financial resources should be released for economic and social development of the developing countries. In this connection, the feasibility of establishing a United Nations 'Disarmament for Development Fund' should be seriously considered.

"38. Trade imbalances will have to be dealt with effectively. The surplus economies and other highly competitive developed countries in the international market should promote larger imports from other regions and countries and liberalize accordingly their trade régimes.

"39. It is essential to develop a more open, credible and durable multilateral trading system which can contribute effectively to the promotion of growth and development, taking due account of the specific needs of the developing countries, in accordance with the principles governing the Uruguay Round negotiations and the Punta del Este Declaration.

"40. It is important, as an immediate objective, to arrest the slide towards unilateralism, bilateralism, protectionism and the erosion of multilaterally agreed norms. In this connection, all countries should refrain from taking any steps conducive to the further deterioration of the multilateral trading system. In this context, industrialized countries should open their markets to international competition, letting developing countries take advantage of their competitive position. Developed countries and multilateral organizations should ensure that trade blocs that are being formed in different regions of the world do not impede the growth of international trading opportunities, particularly for developing countries. The principle of the most-favoured-nation clause should be expanded and applied consistently, taking into account particularly the needs of developing countries.

"41. The promotion of new mechanisms and the strengthening of existing ones should be undertaken with a view to ensuring the predictability and stability of commodity markets, improving commodity export earnings of developing countries and facilitating the rapid diversification and technological restructuring of their economies. There is a need to reduce the growing disadvantages between the prices of commodities and manufactured goods exported by developing countries and the prices of goods they import from industrialized countries.

"42. Both international financial and trade measures, in particular those regarding commodities, should lead to the reversal of the current situation of negative net transfer of resources from developing to developed countries.

"43. The economic and trade integration processes, as well as the establishment of economic complementarities among developing countries, could constitute, if sustained, an important engine for growth and development in those countries and should be promoted and supported through the expansion of their market opportunities and the strengthening of their economic situation.

"44. The endeavours of the developing countries to promote and strengthen economic and technical co-operation among themselves should also be effectively supported by the developed countries, as well as the international organizations.

"45. There should be an international effort to support Eastern European countries in their efforts to integrate the international market-driven economy. The adhesion of these countries in international specialized agencies of the United Nations system and their full participation in the world economy should be accelerated. The actions of the international community and of the international economic integration of these countries is for the benefit of their own people and of the world as a whole, particularly developing countries.

"46. Taking into account that developed Eastern European countries already possess substantial financial capacities, a developed, strong and diversified economic, social and cultural infrastructure, including considerable industrial capacity and broad-based scientific and technological research and development sector, it would be of great importance to enhance the contribution of the Eastern European countries to the socio-economic development of developing countries, through, in particular, transfer of resources, including financial resources, and access by these countries to full membership, as industrial countries, in multilateral, international and regional financial and development institutions. A broad programme of co-operation with developing countries should be considered to enhance and increase the economic ties of these countries with developing countries.

"47. Special co-operative and financial mechanisms at the global, regional and subregional levels should be promoted to ensure the transfer of scientific and technological know-how to developing countries, and to develop the endogenous capacity of these countries in all fields including industrial and agricultural production, services and informatics. The attainment of an improved and credible trading system will also depend on the elimination of all restrictive measures which limit the access of developing countries to scientific and technological advances.

"48. Reactivation of growth and development of developing countries will only be possible with the advancement in the quality of development, the improvement in the living standards of the people, increased equity, broad participation and larger choice and better opportunities. Economic policies should therefore have as their main objective the betterment of the human condition and the enhancement of the contribution of all peoples in economic

activities. In this regard, there is need for additional concessional resources to be allocated for the eradication of poverty in developing countries.

"49. The international community should adopt urgent and corrective measures to arrest the current escalating levels of extreme poverty and hunger and to promote the necessary actions to impede the further deterioration of this grave situation. In this context, it should also support the efforts of the developing countries in the eradication of poverty and hunger.

"50. Member States should likewise support the developing countries in their efforts to strengthen the development of their human resources. In this connection, the inextricable link between education, acquisition of skills, technical training and economic growth and sustained development should be emphasized. International co-operation should also aim to support human resource development strategies in such vital and related areas as health, nutrition, employment and population.

"51. In this connection, multilateral financial institutions should review the structural adjustment programmes which have so far failed to redress fundamentally the economic decline, or lay the foundations in any meaningful sense for sustained recovery and economic transformation, and be sensitive to the adverse impact of adjustment policies in vulnerable sectors of the population.

"52. The international community should extend its full support to the efforts made by the least developed countries to overcome their structural problems through increased development resources. It should also address the acute problems facing island and land-locked developing countries.

"53. The strengthening of international economic co-operation requires a more effective role of multilateral institutions and mechanisms. The United Nations as the unique forum in which the community of nations can address all issues in a comprehensive and integrated manner should enhance its role in setting the political guidelines for the revitalization of economic growth and development. The United Nations system is bound to play an ever-increasing role in economic and social fields, and should therefore be prepared to adapt to the needs of the Member States.

"54. The special session should draw attention to the 1990s as the year of challenge and opportunity to obtain fruitful results from the Conference on Least Developed Countries in Paris in 1990, the elaboration of the new international development strategy for the fourth United Nations development decade, the observance of the Decade for Reduction of Natural Disasters, the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, the convening of UNCTAD VIII in 1991, the Conference on Environment and Development in 1992 and the Conference on Population in 1994.

"55. The special session calls for tangible support from the international community for the implementation of the Second Industrial Development Decade for Africa.

"56. A comprehensive study should be undertaken by the Secretary-General, assisted by a group of experts, to include concrete proposals on all measures and additional resources required for the full implementation of the recommendations adopted by the special session, as well as all existing mandates in this area, and to report to the forty-fifth session of the General Assembly.

"57. We, the Member States, in concerted action and in a spirit of shared responsibility, commit ourselves to the achievement of our common goals."

12. At the 9th meeting, on 2 March, the representative of Canada made a statement in which she informed the Committee that her delegation had submitted a draft proposal entitled "Elements for a declaration of the special session of the General Assembly devoted to International Economic Co-operation, in particular to the revitalization of economic growth and development of the developing countries" (subsequently issued as document A/AC.233/L.6). The draft proposal read as follows:

"The world is embarking upon the last decade of the twentieth century cognizant of the profound changes that are affecting us all. Economically, the world is rapidly becoming one. This growing interdependence among nations challenges us all to respond creatively. Global integration requires countries to adopt sound national policies to facilitate open exchange and flexible responses to the changing world economy.

"In the context of this increasing interdependence and integration, a major challenge of the 1990s will be to help developing countries to become competitive in the world economy, to have access to markets and to science and technology, to improve the quality of their human capital and to modernize their economies. In a spirit of solidarity, Member States stand ready to forge an international understanding of the principles which will lead to accelerated economic growth and sustainable development.

"Developments in the countries of Eastern Europe mark a unique phase in our history, and there should be an international effort to support them in their integration into the international economy. The adhesion of these countries in the specialized institutions and their full participation in the world economy, which is of benefit to their own people and the world as a whole, should be accelerated.

"I. PRINCIPLES FOR INTERNATIONAL ECONOMIC CO-OPERATION

"Each State and nation is responsible for its own economic policies for development and for the life and well-being of all its citizens.

"In an interdependent world the international community has a responsibility to assist developing countries in pursuing effective policies of development.

"All human beings have a basic right to a life free from hunger, poverty, ignorance, disease and fear. The reduction of poverty and greater equity in income distribution are major goals.

"We all share a joint responsibility for creating favourable international economic conditions and in strengthening international co-operation, which will help create the environment for sustainable economic growth.

"Effective multilateral institutions can and should, on the basis of open participation, effective rules and disciplines, be used to shape economic co-operation. They can be particularly important in involving all in a dialogue on appropriate policies.

"Economic growth requires that all countries develop a sustainable macro-economic framework and vigorously pursue long-term domestic economic reform programmes which would emphasize greater flexibility and openness of the economy, effective and efficient mobilization and use of financial and human resources and greater scope for private initiative and enterprise.

"It is essential to develop a more open, credible and durable multilateral trading system which can contribute effectively to the promotion of growth and development, taking due account of the specific needs of the developing countries, in accordance with the principles governing the Uruguay Round negotiations and the Punta del Este Declaration.

"II. LESSONS FROM THE PAST

"In the past decade an increasing convergence of views has emerged on key approaches to economic policies and problems. After the recession early in the decade, the industrialized countries resumed steady and uninterrupted growth. Considerable progress has been made in resolving imbalances, which for a time threatened stability in the world economy, although further progress remains to be made. Success is important if the world economy is to achieve a basis for further reductions in interest rates and deficits. The international community also recognizes the damaging impact of protectionism in all its forms and the importance of reducing it.

"For most developing countries the past decade has proven more difficult, especially for those with large external debts. The process of adjustment has been slow and hindered by declines in the terms of trade and export prices, which have made it more difficult to address the social consequence or to obtain the necessary political support for adjustment. This does not, however, obviate the need for policy reform. Other developing countries have been more successful in promoting growth and have been able to achieve considerable economic and social prog ess.

"We have learned from these experiences. As the world changes around us we must respond positively. The nature of the world economy is such that flexibility, creativity and innovation must be integral parts of our economic systems, otherwise competitiveness will be lost and stagnation will result. Sound national policies are the basis for sustainable economic growth and development. International economic co-operation and assistance are important to knit together the system and to help developing countries achieve their potential.

"III. POLICIES FOR DEVELOPMENT AND INTERNATIONAL CO-OPERATION

"The reactivation of economic growth and development of developing countries will require concerted action by all countries. Success will depend upon sound strategies and policies and a strengthened partnership of developed and developing countries.

"Growth needs to be broadly based, drawing the masses of people into productive economic activity with effective, responsive and public decision-making systems. Improvement in the living standards of people, increased equity and broad participation requires the establishment of institutional frameworks and systems which provide larger choice and more opportunities.

"Developing countries have the responsibility for mobilizing their national resources fully and adopting sound and realistic macro-economic policies. They should continue to work towards keeping control over inflationary tendencies, encourage domestic savings with appropriate interest rate policies and raise their level of international competitiveness. Moreover, the developing countries should continue to encourage both domestic and foreign investment. There is a need to establish favourable domestic conditions for investment and capital formation and encourage enterprise, private initiative and risk-taking. Effective markets and appropriate pricing can improve the efficiency of resource allocation and promote investment.

"The developed countries and multilateral institutions should provide the necessary external resources to facilitate the structural reform process in developing countries and, in particular, assist the implementation of programmes designed to alleviate adverse consequences for the poor and vulnerable groups.

"In some countries the existence of a very large external debt has crippled the economy and threatened the development process. The debt can also render economic adjustment more difficult by undermining the essential political basis and commitment to reform. It is important that countries implementing growth-oriented reforms receive sufficient support and that the collaborative debt strategy be flexible enough to encourage the reforms essential to their economic recovery. Initiatives aimed at a reduction of the stock and service of debt of developing countries, as well as debt relief measures, should continue to be pursued in an effort to renew vigorous growth. A supportive international economic environment, together with a growth-oriented development approach will also assist debtor developing countries to restore their economies and credit-worthiness.

"We are especially concerned with preserving the environment for our children and future generations. This challenge is global in scope and requires effective international co-operation - a commitment to the environment must permeate all our endeavours. Economic development must be environmentally sound and sustainable. This is the responsibility of all peoples, their Governments, businesses, trade unions and individual citizens.

"The current threat to the environment, which is a common concern of all, stems essentially from past neglect in managing the natural environment and resources and from decades of industrial and other pollution. As the major sources of pollution and depletion of natural resources, the developed countries have a special responsibility for taking necessary measures urgently. The responsibility for improving the environment should be shared, sufficient resources made available and consideration given to providing access to technology so that developing countries can exercise their national responsibilities and manage their natural resources. The economic growth of developing countries is an essential prerequisite for environmental protection, because poverty is an important cause of deforestation and desertification. Excessive population growth adds to the strain.

"The most important economic asset of all countries is the people themselves. Our goal should be to enable every child, woman and man to live a full life, in dignity and free from suffering and want and according to their own ideas and preferences. It is of special importance to improve the integration of women in the development process.

"Sustained development depends upon the strength and quality of a country's institutions in all sectors of Government, schools, the judiciary, co-operatives, the financial sector and voluntary organizations. Effective institutional frameworks and predictable public administration are necessary to shape and foster other development initiatives.

"Education and training are prerequisites for economic growth, and it is an indispensable part of a successful economic policy that they be accessible to all people. Investments in education, training, health and other social services, sanitation, housing and water are all essential if human resources and skills are to be fully developed.

"The full utilization of human resources also requires that human rights be guaranteed to each individual. A multiplicity of views and expression enriches every society by stimulating creativity, innovation and initiative and allowing these to be brought to fruition. Economic decision-making should be decentralized to advance efficiency.

"Substantial additional aid, other financial resources and export expansion will be required for developing countries to be able to cope with the challenges of the 1990s. All developed countries should assume their responsibility to supply to developing countries an adequate flow of official development assistance, striving to achieve international targets, including a level of 0.7 per cent of their gross national products for official development assistance. For aid to be effective we need to pay full attention to project quality and design and the appropriate policy environment.

"All countries should contribute to a successful conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) which holds the prospect of significant market liberalization from which all will benefit. We must resist protectionist forces and work towards a stronger GATT which can more

effectively promote an open trading system. Expansion and liberalization of trade in commodities would be of particular benefit to developing countries. All countries should strive to respond to changes in efficient world demand with innovation and diversification of their productive sectors.

"Commodity exports play a key role in the economies of developing countries and make a crucial contribution to export earnings and investment. There is a need for better functioning of commodity markets and more stable and predictable conditions. Diversification would assist the developing countries to increase and stabilize their export earnings. All countries and multilateral institutions should undertake measures to support these efforts.

"IV. CONCLUSION

"The United Nations is a unique forum in which the community of nations can address all issues in a comprehensive and integrated manner and, giving due regard to the respective competences of the specialized institutions, play a key role in setting the basis for the revitalization of economic growth and development.

"The Member States of the United Nations pledge their commitment to address the issues in this declaration of the special session through their national policies, international co-operation, in the elaboration of the international development strategy for the Fourth United Nations Development Decade and in the Second United Nations Conference on the Least Developed Countries."

## C. Organization of work of the special session

13. At the 9th meeting, on 2 March, the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), introduced and orally revised a draft decision submitted on the basis of informal consultations entitled "Provisional agenda and organizational matters". (The draft decision, as orally revised, was subsequently issued in document A/AC.233/L.4.)

14. At the same meeting, the Preparatory Committee adopted the draft decision, as orally revised (see the annex, draft decision I).

## D. Provisional agenda for the third session of the Preparatory Committee

15. At the 9th meeting, on 2 March, the Vice-Chairman of the Committee, Mr. Wang Baoliu (China), introduced and orally revised a draft decision submitted on the basis of informal consultations entitled "Provisional agenda for the third session of the Preparatory Committee". (The draft decision, as orally revised, was subsequently issued in document A/AC.233/L.5.)

16. The representative of Bolivia, on behalf of the States Members of the United Nations that are members of the Group of 77, proposed that a new sub-paragraph be

added at the end of the draft decision to read "(c) To hold open-ended informal consultations before the convening of the third session of the Preparatory Committee".

17. At the same meeting, the Preparatory Committee adopted the draft decision, as orally revised and amended (see the annex, draft decision II).

Annex

DECISIONS ADOPTED BY THE PREPARATORY COMMITTEE AT ITS SECOND SESSION

DECISION I

Provisional agenda and organizational matters

The Preparatory Committee decides to recommend to the eighteenth special session of the General Assembly the adoption of the following provisional agenda and organization of work:

1. Provisional agenda

1. Opening of the session by the Chairman of the delegation of Nigeria.

2. Minute of silent prayer or meditation.

3. Credentials of representatives to the eighteenth special session of the General Assembly:

   (a) Appointment of the members of the Credentials Committee;

   (b) Report of the Credentials Committee.

4. Election of the President.

5. Report of the Preparatory Committee for the eighteenth special session.

6. Organization of the session.

7. Adoption of the agenda.

8. General debate.

9. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries.

2. Structure of the special session

The special session will convene plenary meetings to conduct a general debate and to allow heads of State or Government and ministers or heads of delegation to speak on the substantive item. It should establish an ad hoc committee of the whole to consider the item, taking into account the recommendations of the Preparatory Committee. The Ad Hoc Committee of the Whole should have one Chairman, three Vice-Chairmen and a Rapporteur, on the basis of equitable geographical distribution. Every effort should be made to strive as far as possible towards consensus on matters of substance.

3. President

The special session should take place under the presidency of the President of the forty-fourth session of the General Assembly.

4. Vice-Presidents

The Vice-Presidents of the special session should be the same as at the forty-fourth regular session of the General Assembly, on the understanding that regional groups may make substitutions of the Vice-Presidents allocated to each group.

5. Credentials Committee

The Credentials Committee of the special session should have the same membership as the Credentials Committee of the forty-fourth session of the General Assembly.

6. General Committee

The General Committee of the special session should consist of the President of the special session of the General Assembly; the 21 Vice-Presidents and the Chairmen of the seven Main Committees of the forty-fourth session of the General Assembly, on the understanding that they may be substituted by members of their delegations or members of the delegations of States belonging to the same regional group; and the Chairman of the Ad Hoc Committee of the Whole for the special session.

7. Rules of procedure

The rules of procedure of the General Assembly should apply at the special session.

8. Level of representation

Member States should be represented at the special session at the highest possible political level.

9. General debate

Item 9 of the provisional agenda should be included in the general debate (item 8). Participation in plenary meetings should be in accordance with the established rules and practice of the General Assembly.

10. Allocation of items

It is recommended that item 9 of the provisional agenda be allocated to the Ad Hoc Committee of the Whole for consideration.

11. Participation

(a) On the basis of specific requests, observer non-Member States should be invited to participate in the general debate in the plenary meeting;

(b) The Executive Heads of the concerned United Nations specialized agencies should be invited to participate in the general debate in the plenary meeting. Each statement should not exceed 10 minutes;

(c) Interested intergovernmental organizations having received a standing invitation to participate in the sessions and the work of the General Assembly should be invited to participate in the general debate in the plenary meeting. Each statement should not exceed 10 minutes;

(d) A representative of one non-governmental organization in consultative status with the Economic and Social Council could address the Ad Hoc Committee of the Whole on behalf of interested non-governmental organizations. Such a statement should not exceed 10 minutes;

(e) On the basis of specific requests, the Preparatory Committee recommends that the special session take a decision to invite other relevant intergovernmental and interregional organizations of an economic nature to participate and speak on an ad hoc basis during the session. Such statements should not exceed 10 minutes.

DECISION II

Date and provisional agenda for the third session of the Preparatory Committee

The Preparatory Committee decides:

(a) That the third and final session of the Preparatory Committee shall take place from 16 to 20 April 1990;

(b) To approve the following provisional agenda for its third session:

1. Adoption of the agenda.

2. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries: consideration of the proposed final document to be adopted by the special session.

3. Adoption of the report of the Preparatory Committee for submission to the special session.

(c) To hold open-ended informal consultations before the convening of the third session of the Preparatory Committee.

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UNITED
NATIONS

A

General Assembly

Distr.
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A/AC.233/L.8
17 April 1990

ORIGINAL: ENGLISH

PREPARATORY COMMITTEE OF THE WHOLE FOR
THE SPECIAL SESSION OF THE GENERAL
ASSEMBLY DEVOTED TO INTERNATIONAL
ECONOMIC CO-OPERATION, IN PARTICULAR
THE REVITALIZATION OF ECONOMIC
GROWTH AND DEVELOPMENT OF THE
DEVELOPING COUNTRIES
Third session
16-20 April 1990
Agenda item 2

# INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

## Draft declaration on the special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries

Proposal submitted by Ireland*

We, the States Members of the United Nations

1. Reaffirm that the principle aim of international economic co-operation is to bring about the framework required to allow each individual human being to lead a life of dignity, based on freedom from intolerance, discrimination, oppression, exploitation, illiteracy and poverty, and, to that end;

2. Adopt the following Declaration on International Economic Co-operation, which sets out the basic principles for the revitalization of economic growth and development of the developing countries:

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* On behalf of the States Members of the United Nations that are members of the European Community.

1. We affirm that the reduction of international political tensions, the increasing globalization of world economic activity and the growing convergence of view on political and economic issues together enable the United Nations to play a more effective role in tackling the problems faced by the developing countries. In fulfilling this role, the United Nations should take full account of the diversity of situations facing individual countries and work to devise realistic and flexible approaches which benefit all individuals, especially the poorest in the developing countries.

2. We emphasize the need to bring about sustainable, non-inflationary economic growth in all countries. Effective national policies have a critical role to play in achieving this objective. Such policies should be outward- and market-oriented. They should be supportive of investment as well as of efficient allocation and mobilization of resources to achieve durable growth and development. For many developing countries, in particular the least developed, national policies, in parallel with international co-operation in this field, must over time seek to diversify the economic base, thereby lessening their dependence on primary commodities. The multilateral development agencies have a crucial role in assisting developing countries design and implement effective national policies.

3. We affirm that a supportive international environment is crucial to the success of effective national policies. To this end, existing economic imbalances and monetary instability in the industrialized world, which, inter alia, affect the level of interest rates, must be tackled decisively. The achievement of this objective would facilitate increases in resource flows to developing countries and would contribute to a solution of existing debt problems. These problems negatively affect many developing countries and their resolution continues to require innovative approaches.

4. We recognize that the full mobilization of the human resources of developing countries is crucial to successful development. To this end, there exists the need to support movement towards pluralistic institutions which guarantee equitable development and human rights. Universal access to basic health, education and shelter is crucial. The full and equal involvement of women in the development process will act as an important spur to successful development. Particular attention must be paid to the rate of population growth so as to allow sustainable development.

5. We recognize the critical importance of an open multilateral trading system. In this regard, efforts must continue to bring about a system that allows the developing countries to benefit further from their areas of comparative advantage. We pledge our determination to work to achieve a successful, balanced and comprehensive outcome to the Uruguay Round. Regional co-operation among developing countries in trade, technical and other forms of economic activity can contribute to a strengthened multilateral trading system.

6. We jointly commit ourselves to the protection of our common environmental heritage. We recognize that environmental sustainability is central to development. Much of the damage caused to the environment results from patterns of consumption and production in the developed countries. The developed countries

must provide additional resources and the appropriate technologies to combat environmental degradation. All countries will increasingly need to integrate environmental concerns into their national development policies.

7. We reaffirm that substantial resources will be required to support the development process in the years ahead. The developed countries reaffirm their commitment to work to attain the accepted targets set by the United Nations of devoting 0.7 per cent of their gross national product to official development assistance and 0.15 per cent to the least developed countries. In addition, the developed countries stress their determination to improve the quality of the aid they provide. They emphasize that the level of their official development assistance to the developing world will not be negatively affected by their efforts in support of the process of reform in Eastern Europe.

8. We emphasize that the elaboration of these principles establishes a new agenda for the United Nations based on a global view of the challenges of the 1990s. We affirm that the present Declaration can provide a framework for the successful completion of the work of forthcoming United Nations Conferences, commencing with the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990.

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UNITED
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A

General Assembly

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19 April 1990

ORIGINAL: ENGLISH

PREPARATORY COMMITTEE OF THE WHOLE FOR
THE SPECIAL SESSION OF THE GENERAL
ASSEMBLY DEVOTED TO INTERNATIONAL
ECONOMIC CO-OPERATION, IN PARTICULAR
TO THE REVITALIZATION OF ECONOMIC
GROWTH AND DEVELOPMENT OF THE
DEVELOPING COUNTRIES
Third session
16-20 April 1990
Agenda item 5

# ADOPTION OF THE REPORT OF THE PREPARATORY COMMITTEE FOR SUBMISSION TO THE SPECIAL SESSION

## Draft report of the Preparatory Committee on its third session

## I. ORGANIZATIONAL MATTERS

### A. Opening and duration of the third session

1. The Preparatory Committee held its third session at United Nations Headquarters from 16 to 20 April 1990. The Committee held ..... meetings (10th to ....) and a number of informal consultations during that period. In accordance with the decision taken at the second session, informal consultations were also held prior to the convening of the third session of the Preparatory Committee.

2. On 16 April 1990, the Chairman of the Preparatory Committee opened the session.

### B. Attendance

3. Representatives of the following Member States attended the third session of the Preparatory Committee:

Afghanistan
Algeria
Argentina
Australia
Austria
Bahamas
Bahrain
Bangladesh
Barbabos
Belgium
Bhutan
Bolivia
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi
Byelorussian Soviet Socialist Republic
Cameroon
Canada
Cape Verde
Chile
China
Colombia
Comoros
Congo
Côte d'Ivoire
Cuba
Cyprus
Czechoslovakia
Democratic Yemen
Denmark
Djibouti
Ecuador
Egypt
Ethiopia
Fiji
Finland
France
German Democratic Republic
Germany, Federal Republic of
Ghana
Greece
Guatemala
Guinea Bissau
Guyana
Haiti
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lao People's Democratic Republic
Lesotho
Liberia
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malawi
Malaysia
Mali
Mauritania
Mauritius
Mexico
Mongolia
Morocco
Mozambique
Myanmar
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Rwanda
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Somalia
Spain
Sri Lanka
Sudan
Suriname
Sweden
Syrian Arab Republic
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukrainian Soviet Socialist Republic
Union of Soviet Socialist Republics
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Vanuatu
Venezuela
Viet Nam
Yemen
Yugoslavia
Zaire
Zambia
Zimbabwe

4. The following non-member States were represented by observers:

Democratic People's Republic of Korea
Holy See

Republic of Korea
Switzerland

5. The United Nations University was represented.

6. The following specialized agencies were represented:

International Labour Organisation

Food and Agriculture Organization of the United Nations

United Nations Educational, Scientific and Cultural Organization

World Health Organization

World Bank

International Monetary Fund

World Intellectual Property Organization

United Nations Industrial Development Organization

* * *

International Atomic Energy Agency

General Agreement on Tariffs and Trade

7. The following intergovernmental organizations were represented:

African Development Bank

Asian-African Legal Consultative Committee

Commission of the European Communities

Commonwealth Secretariat

Latin American Economic System

Organization of American States

Organization of the Islamic Conference

## C. Election of officers

8. At its 10th meeting, on 17 April, the Preparatory Committee elected Mr. Eduard Kukan (Czechoslovakia) as Vice-Chairman of the Committee to replace Mr. Zapotocky (Czechoslovakia) who had resigned. The other officers elected at the organizational session of the Preparatory Committee also served during the third session.

## D. Adoption of the agenda

9. Also at its 10th meeting, the Preparatory Committee considered the provisional agenda for the session (A/AC.233/6). On the proposal of the Chairman, the Preparatory Committee decided to include two new items, namely, a new item entitled "Election of officers" between items 1 and 2, and a new item entitled "Organization of work of the special session" between items 3 and 4.

10. At the same meeting, the Preparatory Committee adopted the following agenda for the session, as orally amended:

1. Adoption of the agenda

2. Election of officers.

3. International economic co-operation, in particular the revitalization of economic growth and development of the developing countries.

4. Organization of work of the special session.

5. Adoption of the report of the Preparatory Committee for submission to the special session.

## E. Documentation

11. The Preparatory Committee had before it the following documents:

(a) Provisional agenda (A/AC.233/6);

(b) Report of the Secretary-General on the state of international economic co-operation and effective ways and means of revitalizing the economic growth and development of developing countries (A/AC.233/5 and Corr.1);

(c) Proposal submitted by Bolivia, on behalf of the States Members of the United Nations that are members of the Group of 77 entitled "Draft declaration on the special session of the General Assembly devoted to International Economic Co-operation, in particular the revitalization of economic growth and development of the developing countries" (A/AC.233/L.3);

(d) Proposal submitted by Canada entitled "Elements for a declaration of the special session of the General Assembly devoted to International Economic Co-operation, in particular to the revitalization of economic growth and development of the developing countries" (A/AC.233/L.6);

(e) Proposal submitted by Ireland, on behalf of the States Members of the United Nations that are members of the European Community, entitled "Draft declaration on the special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries" (A/AC.233/L.8).

## II. INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

12. At the 10th meeting, the representative of Canada introduced the draft proposal entitled "Elements for a declaration of the special session of the General Assembly devoted to International Economic Co-operation, in particular to revitalization of economic growth and development of the developing countries" (A/AC.233/L.6).

13. At the 11th meeting, on 18 April, the representative of Ireland, on behalf of the States Members of the United Nations that are members of the European Community, introduced a draft proposal (A/AC.233/L.8) entitled "Draft declaration on the special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries", which read as follows:

Proposal submitted by Ireland

"We, the States Members of the United Nations

"1. Reaffirm that the principal aim of international economic co-operation is to bring about the framework required to allow each individual human being to lead a life of dignity, based on freedom from intolerance, discrimination, oppression, exploitation, illiteracy and poverty, and, to that end;

"2. Adopt the following Declaration on International Economic Co-operation, which sets out the basic principles for the revitalization of economic growth and development of the developing countries:

"1. We affirm that the reduction of international political tensions, the increasing globalization of world economic activity and the growing convergence of views on political and economic issues together enable the United Nations to play a more effective role in tackling the problems faced by the developing countries. In fulfilling this role, the United Nations should take full account of the diversity of situations facing individual countries and work to devise realistic and flexible approaches which benefit all individuals, especially the poorest in the developing countries.

"2. We emphasize the need to bring about sustainable, non-inflationary economic growth in all countries. Effective national policies have a critical role to play in achieving this objective. Such policies should be outward- and market-oriented. They should be supportive of investment as well as of efficient allocation and mobilization of resources to achieve durable growth and development. For many developing countries, in particular the least developed, national policies, in parallel with international co-operation in this field, must over time seek to diversify the economic base, thereby lessening their dependence on primary commodities. The multilateral

development agencies have a crucial role in assisting developing countries design and implement effective national policies.

"3. We affirm that a supportive international environment is crucial to the success of effective national policies. To this end, existing economic imbalances and monetary instability in the industrialized world, which, inter alia, affect the level of interest rates, must be tackled decisively. The achievement of this objective would facilitate increases in resource flows to developing countries and would contribute to a solution of existing debt problems. These problems negatively affect many developing countries and their resolution continues to require innovative approaches.

"4. We recognize that the full mobilization of the human resources of developing countries is crucial to successful development. To this end, there exists the need to support movement towards pluralistic institutions which guarantee equitable development and human rights. Universal access to basic health, education and shelter is crucial. The full and equal involvement of women in the development process will act as an important spur to successful development. Particular attention must be paid to the rate of population growth so as to allow sustainable development.

"5. We recognize the critical importance of an open multilateral trading system. In this regard, efforts must continue to bring about a system that allows the developing countries to benefit further from their areas of comparative advantage. We pledge our determination to work to achieve a successful, balanced and comprehensive outcome to the Uruguay Round. Regional co-operation among developing countries in trade, technical and other forms of economic activity can contribute to a strengthened multilateral trading system.

"6. We jointly commit ourselves to the protection of our common environmental heritage. We recognize that environmental sustainability is central to development. Much of the damage caused to the environment results from patterns of consumption and production in the developed countries. The developed countries must provide additional resources and the appropriate technologies to combat environmental degradation. All countries will increasingly need to integrate environmental concerns into their national development policies.

"7. We reaffirm that substantial resources will be required to support the development process in the years ahead. The developed countries reaffirm their commitment to work to attain the accepted targets set by the United Nations of devoting 0.7 per cent of their gross national product to official development assistance and 0.15 per cent to the least developed countries. In addition, the developed countries stress their determination to improve the quality of the aid they provide. They emphasize that the level of their official development assistance to the developing world will not be negatively affected by their efforts in support of the process of reform in Eastern Europe.

"8. We emphasize that the elaboration of these principles establishes a new agenda for the United Nations based on a global view of the challenges of the 1990s. We affirm that the present Declaration can provide a framework for the successful completion of the work of forthcoming United Nations Conferences, commencing with the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990."

## III. ORGANIZATION OF WORK OF THE SPECIAL SESSION

[to follow]

## IV. ADOPTION OF THE REPORT OF THE PREPARATORY COMMITTEE FOR SUBMISSION TO THE SPECIAL SESSION

14. At its 10th and ..... meetings, on 17 and .. April, the Preparatory Committee considered and adopted the draft report on its second session (A/AC.233/L.7), as orally amended.

## V. RECOMMENDATIONS OF THE PREPARATORY COMMITTEE

[to follow]

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